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July 1, 2008

The Honorable Charles Terreni
Chief Clerk of the Commission
Public Service Commission of South Carolina
Post Office Drawer 11649
Columbia, South Carolina 29211

Re: Proceeding to Establish Guidelines for an Intrastate Universal Service Fund
Docket No. 97-239-C

Dear Mr. Terreni:

BellSouth Telecommunications Inc. d/b/a AT&T South Carolina ("AT&T South Carolina") respectfully encloses for filing a Response to Motion to Dismiss in the above-captioned matter.

By copy of this letter, I am serving all parties of record with a copy of this Response as indicated on the attached Certificate of Service.

Sincerely,

Patrick W. Turner

PWT/nml
Enclosure
cc: All Parties of Record
DM #714657

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

DOCKET NO. 97-239-C

IN RE:)
)
Proceeding to Establish Guidelines for an)
Intrastate Universal Service Fund)
_____)

AT&T SOUTH CAROLINA'S RESPONSE TO MOTION TO DISMISS

BellSouth Telecommunications, Inc. d/b/a AT&T South Carolina ("AT&T") respectfully submits its Response to the Motion to Dismiss filed by the South Carolina Telephone Coalition ("SCTC")¹ on June 20, 2008. As explained below, AT&T South Carolina does not join in SCTC's Motion and, at this time, AT&T South Carolina takes no position on the merits of the Motion. To the extent the Commission grants the Motion, AT&T South Carolina respectfully requests that it do so in a manner that does not arguably limit or otherwise prejudice the Commission's ability to appropriately modify Orders it previously has entered in this docket in light of current facts and circumstances. To the extent the Commission denies the Motion, AT&T South Carolina respectfully requests that the Commission direct a Hearing Officer to establish a revised procedural schedule that provides for the exchange of direct and reply proposed issues and a subsequent status conference prior to the submission of testimony in this docket.

¹ Neither AT&T South Carolina nor any of its affiliates are members of the SCTC.

I. PROCEDURAL BACKGROUND

By Order dated June 27, 2007, the Commission determined that “the cost studies and the resultant cost per line used in the calculations for the Universal Service Fund shall be updated.”² In that Order, the Commission granted the parties to this docket the opportunity to file: (1) briefs “describing their proposed approach regarding this update”; and (2) comments addressing four administrative issues the Office of Regulatory Staff (“ORS”) asked the Commission to consider regarding the State Universal Service Fund (“the State USF”).³

After the parties filed briefs and comments in accordance with this Order, the Commission issued a Notice of Hearing to “update the methodology for performing cost studies for the South Carolina Universal Service Fund” in this docket. At the request of counsel for AT&T South Carolina, the Commission Staff conducted a conference call with all parties to address the scope of the hearing and what would be required of the parties in the way of testimony. While there was some dissention regarding the appropriate scope of the hearing, during the conference call the parties essentially decided to recommend that the hearing be postponed, that the parties file initial and reply comments identifying issues they would like to be addressed during the hearing, and that a status conference be scheduled to discuss which issues should be addressed in testimony. The Commission Staff requested that the parties memorialize this recommendation in a filing with the Commission. The SCTC filed its Motion before this joint filing was finalized.

² See Order Addressing Cost Studies and Administrative Issues, *In Re: Proceeding to Establish Guidelines for an Intrastate Universal Service Fund (USF)*, Order No. 2007-422 in Docket No. 1997-239-C at 2 (June 27, 2007).

³ *Id.*

II. AT&T SOUTH CAROLINA’S RESPONSE TO SCTC’S MOTION

AT&T South Carolina does not join in SCTC’s Motion and, at this time, AT&T South Carolina takes no position on the merits of the Motion. AT&T South Carolina, however, respectfully requests that the Commission consider the following concerns in deciding the Motion.

- A. To the extent the Commission grants the Motion, AT&T South Carolina respectfully requests that it do so in a manner that does not arguably limit or otherwise prejudice the Commission’s ability to appropriately modify Orders it previously has entered in this docket in light of current facts and circumstances.**

In essence, the SCTC asks the Commission to dismiss “the scheduled proceedings” in this docket⁴ because Commission Orders that were entered in this docket in the past do not require updated cost studies before a company implements more than one-third of its company-specific funding requirement.⁵ To the extent the Commission grants this Motion, AT&T South Carolina requests that Commission specify that only the scheduled hearing to address cost updates (and not the docket itself) is being dismissed at this time, and that the scheduled hearing is being dismissed based on the Commission’s current and renewed determination that updates to cost studies still should not be required before a company implements more than one-third of its company-specific funding requirement. AT&T South Carolina respectfully submits that these specifications are appropriate in order to avoid any argument that the Commission is somehow limited or prejudiced in its ability to modify, based on current facts and circumstances, Orders it previously has entered in this docket.

⁴ See Motion at p. 1, ¶1.

⁵ See, e.g., *Id.* at p. 3, ¶6; pp 3-4, ¶7; p. 6, ¶ 13; p. 7, Wherefore Clause (1).

- B. To the extent the Commission denies the Motion, AT&T South Carolina respectfully requests that the Commission direct a Hearing Officer to establish a revised procedural schedule that provides for the exchange of direct and reply proposed issues and a subsequent status conference prior to the submission of testimony in this docket.**

AT&T South Carolina respectfully submits that it is not a wise or efficient use of any party's resources to prepare testimony for filing under the existing schedule while the SCTC's Motion is pending. Moreover, during the conference call with Commission Staff, most (if not all) of the parties seemed to agree that even if the scope of the currently-scheduled hearing was limited to updating cost studies, it would involve a number of potentially complex issues. Most (if not all) of the parties seemed to agree that the exchange of direct and reply proposed issues and a subsequent status conference to discuss those proposed issues would enhance the parties' ability to prepare testimony that would assist the Commission as it considers the issues in the hearing.⁶ Accordingly, to the extent the Commission denies the Motion, AT&T South Carolina respectfully requests that the Commission direct a Hearing Officer to establish a revised procedural schedule that provides for the exchange of direct and reply proposed issues and a subsequent status conference prior to the submission of testimony in this docket.

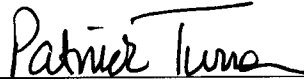
III. CONCLUSION

As noted above, AT&T South Carolina respectfully submits that it is not a wise or efficient use of any party's resources to prepare testimony for filing under the existing schedule while the SCTC's Motion is pending. AT&T South Carolina, therefore,

⁶ AT&T South Carolina respectfully submits that as often is the case with workshops the Commission conducts in rulemaking proceedings, this status conference likely will help narrow and more clearly define the scope of any disagreement among the parties which, in turn, will allow the parties to productively and efficiently address those areas of disagreement in testimony.

respectfully requests that the Commission rule on the SCTC's Motion as quickly as possible.

Respectfully submitted,

A handwritten signature in black ink, reading "Patrick W. Turner". The signature is written in a cursive style with a horizontal line extending from the end of the name.

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STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND) CERTIFICATE OF SERVICE

The undersigned, Nyla M. Laney, hereby certifies that she is employed by the Legal Department for AT&T South Carolina (“AT&T”) and that she has caused AT&T South Carolina’s Response to Motion to Dismiss in Docket No. 97-239-C to be served upon the following this July 1, 2008:

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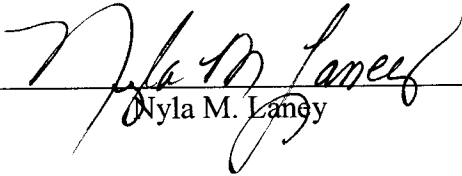
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